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April 27, 2000

H. Lynn Greer, Jr.
Director, Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243

Re: All Telephone Companies Tariff Filings Regarding Reclassification of Pay
Telephone Service as Required by FCC Docket 96-128
Docket No. 97-00409

Dear Director Greer:

This letter is addressed to you as Hearing Officer in the above-captioned proceeding.

In a letter to you dated March 21, 2000, the Tennessee Payphone Association ("TPOA") asked that you reconvene this proceeding for the purpose of fixing cost-based rates for pay telephone providers. In a reply dated March 31, 2000, BellSouth Telecommunications, Inc. ("BellSouth") "agree[d] that the proceedings should be re-convened." Copies of both letters are attached.

The TPOA therefore requests that a pre-hearing conference be convened as soon as practical for the purpose of outlining a schedule for the completion of these three-year-old proceedings.

Furthermore, the TPOA requests that you also ask the non-BellSouth carriers to participate in this pre-hearing conference. As you may recall, this docket originally involved, not just BellSouth but all incumbent local exchange providers. At an early point in these proceedings, the TRA determined to address BellSouth's rates first, and subsequently, the rate of other LECs. All such rates are subject to a true-up back to April 15, 1997.

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In regard to the non-BellSouth carriers, TPOA suggests that the following procedure be adopted for determining cost-based rates for those carriers.

At the TRA conference on April 25, 2000, the Authority apparently resolved all outstanding issues concerning adjustments to the UNE cost study filed by BellSouth in docket 97-01262. As the FCC has noted, UNE prices fixed in accordance with the FCC's guidelines are also appropriate for the determination of pay telephone rates. (A copy of the FCC's order was attached to the TPOA's earlier letter.)

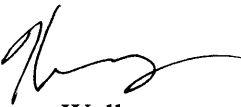
In order to expedite the pay telephone proceedings for non-BellSouth carriers, the TPOA believes that the Authority should direct the independent LECs to prepare and file cost studies for the determination of pay telephone rates. Those cost studies should be consistent with the methodology used by BellSouth and the adjustments ordered by the Authority in Docket 97-01262.

In the alternative, any local exchange carrier which elects not to file cost studies should be presumed to have the same UNE costs as BellSouth for the limited purpose of fixing pay telephone rates. Those "proxy" rates would remain in effect unless and until the carrier files its own cost study.

The TPOA therefore asks that you reconvene the above-captioned proceeding and that notice be given not only to BellSouth but to all local exchange carriers.

Sincerely,

BOULT, CUMMINGS, CONNERS & BERRY, PLC

By: 
Henry Walker
Counsel for TPOA

HW/nl
c: All parties

BellSouth Telecommunications, Inc. 615 214-6301
Suite 2101 Fax 615 214-7406
333 Commerce Street
Nashville, Tennessee 37201-3300

Guy M. Hicks
General Counsel

March 31, 2000

Hon. H. Lynn Greer, Jr., Hearing Officer
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37219

Re: *Tariff Filings by Local Exchange Companies to Comply with FCC Order 96-439,
Concerning the Reclassification of Pay Telephones*
Docket No. 97-00409

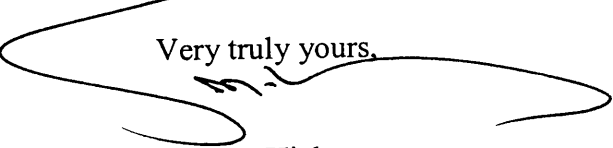
Dear Director Greer:

This is in response to Mr. Walker's letter to you of March 21, requesting that you re-convene these proceedings and "fix a tentative schedule" for the final resolution of the outstanding issues. BellSouth agrees that the proceedings should be re-convened. However, BellSouth respectfully requests that it be provided the opportunity to participate in determining specific scheduling dates prior to the establishment of the schedule.

Mr. Walker's letter also attempts to summarize a recent FCC Order in Docket CCB/CPD No. 00-1, *In the Matter of Wisconsin Public Service Commission*. BellSouth disagrees with Mr. Walker's characterization of that Order and will set forth its position regarding that Order at the appropriate time during the proceedings.

Thank you for your attention to this matter.

Very truly yours,



Guy M. Hicks

GMH:ch

cc: Langley Kitchings
Hon. Melvin Malone
Hon. Sara Kyle
David Waddell

CERTIFICATE OF SERVICE

I hereby certify that on March 31, 2000, a copy of the foregoing document was served on the parties of record, via hand delivery, addressed as follows:

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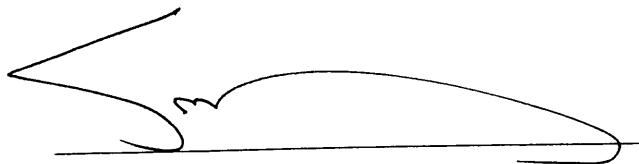
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A handwritten signature in black ink, appearing to be "H. Walker", written over a horizontal line.

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March 21, 2000

H. Lynn Greer, Jr.
Director, Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243

Re: All Telephone Companies Tariff Filings Regarding Reclassification of Pay
Telephone Service as Required by FCC Docket 96-128
Docket No. 97-00409

Dear Director Greer:

I am writing to you, on behalf of the Tennessee Payphone Owners Association (TPOA), in your capacity as the Hearing Officer in the above-captioned docket. The purpose of this letter is to request that you, as the Hearing Officer, re-convene these proceedings and fix a tentative schedule for the final resolution of the outstanding issues.

Approximately three years ago, the TRA opened this docket to investigate the rates charged by incumbent, local exchange telephone companies to pay telephone providers. The proceeding was initiated in response to orders issued by the FCC requiring that all payphone charges be cost-based, non-discriminatory, and consistent with Section 276 of the Federal Telecommunications Act of 1996 and the FCC's guidelines. The FCC ordered that such rates be implemented effective April 15, 1997.

As the payphone docket moved toward a hearing, the TRA also initiated a proceeding to fix cost-based rates for all unbundled network elements (UNE's) of local exchange carriers. TRA Docket 97-01262. It soon became apparent that both of these dockets addressed similar issues (i.e., the cost of a loop) and that it would make sense to postpone the payphone proceeding until after the UNE docket had been completed.

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March 21, 2000

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Therefore, by agreement of all parties, the determination of cost-based payphone rates was delayed until after the agency had determined cost-based UNE rates. The parties also agreed that whatever payphone rates were finally adopted would apply retroactively to April 15, 1997. That is how matters have stood for the last three years. During that time, payphone owners in Tennessee have continued to pay the interim rates charged by incumbent local exchange carriers.

It is now time, however, to re-open these proceedings. There are three reasons for this:

First, the UNE proceeding appears to be finally reaching a conclusion. All filings have been made; all that apparently remains is the determination of UNE rates.

Second, the FCC has just released a decision clarifying the guidelines for the determination of payphone rates. (A copy of the FCC Order is attached.) The Order makes clear that, absent unusual circumstances, payphone rates should be the same as, or consistent with, cost-based UNE prices. See FCC Order, paragraph 11. The FCC Order also declared that incumbent carriers must take into account all revenue from EUCL, PICC, and CCL charges so that there is no "double counting" of costs. FCC's decision has, therefore, greatly simplified the issue in this proceeding. In order to avoid any delays later, the parties should reconvene now to determine the impact of the Order and how to implement the Order as soon as the UNE docket is completed.

Third, virtually all TPOA members are small businessmen and businesswomen. For nearly three years, they have been waiting for the TRA to fix cost-based payphone rates and to order refunds retroactive to April 15, 1997. This delay has caused a substantial financial hardship for many TPOA members. As a result, many members have removed pay telephones from marginal locations such as public buildings, parks and in rural areas of Tennessee. Other owners have simply gone out of business.

In light of the FCC's recent Order, it is clear that the TRA and the parties were correct in agreeing to delay these proceedings pending the outcome of the UNE docket. Nevertheless, the parties could not have anticipated that the delay would be so protracted or so economically burdensome.

H. Lynn Greer, Jr.


March 21, 2000

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For these reasons, TPOA is anxious to re-convene this proceeding as soon as possible so that, as soon as UNE prices are set, this docket can also be completed.

Sincerely,

BOULT, CUMMINGS, CONNERS & BERRY, PLC

By: 
Henry Walker
Counsel for TPOA

HW/tlm

Enclosure

cc: Dennis McNamee, Esq. (w/encl.)
Vince Williams, Esq. (w/encl.)
T. G. Pappas, Esq. (w/encl.)
James Wright, Esq. (w/encl.)
Val Sanford, Esq. (w/encl.)
Jon Hastings, Esq. (w/encl.)
Guy Hicks, Esq. (w/encl.)
Richard Tettelbaum, Esq. (w/encl.)
Chairman Melvin Malone (w/encl.)
Director Sara Kyle (w/encl.)
David Waddell (w/encl.)